Many people in America state emphatically that our money system is broken, because it has no value, and can just be printed off at will by the Government. This isn’t quite true. Our dollar actually, has an intrinsic value, just not a fixed one.

In my previous discussions, I explained that the value of money is how much effort it takes you to earn it, and how much gets you. (Or how many hours you have to work for that hamburger.) This discussion will deal with the actual question of just what the American Dollar is. But, first, let’s restate the definition of money. Money is a commonly used commodity traded between people for indirect purposes. You don’t work for money, you work for the things you can buy with money, and people trade those things for your money so they can buy what they want with said money.

Money can literally be anything, so long as people value it and place a fairly consistent value on said thing. It is often an easier for society to decide on something as being money if it is easily stored, transported, divided, and used. Salt has been used as money. Meat of any sort would probably make a bad money do to storage concerns. There can be more than one money in an economy. People could use gold as money in one transaction, then salt in the next (assuming that society as a whole generally had the mind to do so. I doubt it’s happened all that often, expect in passing).

Okay, so I said that the American Dollar has value. But everyone knows that the American Dollar is backed by nothing. Except, everyone knows wrong. The American Dollar is Future Taxes to be collected at a later time. … I swear I just heard the record player jump track, reverse direction, and smack itself. That’s cuz, if the American Dollar is Future Taxes, and we pay more currant taxes based on how much Future Taxes we accumulate … Christ that still hurts my head.

What the hell does this Future Taxes shit mean? Well, the practice started way back in the days of yor (when the grass was greener, the milk was whiter, and people lived in idle bliss). The Government taxed its Subjects differently then. Back then, it said, pay us XYZ per year. An example would be, for every acre of land the land owners of Virginia were required to pay a bushel of tobacco. Some people in other places may have been required to pay such things as wheat. It’s not to terribly important what said something was. Just that it was unwieldy and inefficient. Let’s take Virginia as an example. If you were a land owner in Virginia, you would be required to pay the tax of a bushel of tobacco each year, even if you didn’t actually want to grow tobacco. So, you either needed to grow tobacco for tax reasons, or you had to trade with others for tobacco at the market prices. This obviously sucked for the land owner. But, it also sucks for the Government. See, if you’re the tax payer, you’re going to try’n get one over on the tax collector, by giving him the worst bushel you can. Plus, it sucked from the Government’s perspective, because they could only ever have as much money as they could get by selling their collected goods on the market.

So, what our very smart, wise, and beneficent rulers of yor came up with was the Tax Chit. They offered to accept this chit in lieu of tobacco at tax time. In exchange, they traded for something they needed now. Of course, our intrepid Government contractor probably discovered that there were lots of people who would just love to have the ability to pay their taxes with this tax chit, and maybe store a few years taxes away for good measure, like any other commodity. So he traded said chits for whatever he wanted and could get. And so, was born Tax As A Commodity. But, not yet money. At the time, money was still gold and/or silver (largely depending on where in the world you were). Eventually, the Government got smarter, changed taxes from bushels of tobacco to whatever the money of the land was. But, it still had these chits out there, and the power to print more. And, of course, the desire to spend now what it doesn’t have but might draw in the future. So, it kept making tax chits, and people kept trading tax chits.

Then the Government got really sneaky, it started taxing people on what they made, instead of just having everyone pay a flat tax. This action cemented in everyone’s mind that the tax chit was the same thing as the Dollar (which was still based on gold). Finally, the Government, in order to free itself from any constraints on its ability to print money, told people that gold was no longer money, and the people accepted this. And through this glorious shell game, the Government convinced everyone that Future Taxes are Money.

But, here is what totally eff’s with my head. You and I are all running around, trying to get more Future Tax payments, so that we can pay our taxes, which are based on how many Future Tax payments we acquired. Seriously, how screwed is that? There is, of course, an answer. We all decide, fine, I’ll pay my taxes in Future Taxes. But, I am going to make my own money and use it as trade between me and people who have what I really want (which ISN’T more taxes thank you very much). This will of course mean that we will have less need of Future Taxes as the less Future Taxes we have the less Future Taxes we owe. And THAT is the sticky point. See, I have a lot of Future Taxes stored, and I am going to be slightly unhappy if I discover no one is going to trade with me for my Future Taxes. And, the Government, is going to be unhappy about it too. But, the Government is going to use the power of the gun on you if you piss it off.

To be exact, they already squashed an attempt by us Americans to do exactly what I mentioned. It was called the Liberty Dollar. Some Americans decided that they didn’t trust the Government with their wealth, and go together to trade amongst themselves what they decided was money (gold and silver). They were doing this on a purely voluntary basis (and not even attempting reduce their tax burden with it). But, the Government couldn’t have us Subject’s getting ideas about the proper place of Government; so they confiscated the Liberty Dollar gold and silver stock, charged its ring leaders with printing counterfeit money, and tossed them in prison.

Hope you all enjoyed my letting you in on that true nature of your Money (for however longer we keep accepting it as such).